

NEW APPLICATION

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BEFORE THE ARIZONA CORPORATION COMMISSION

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T-03471A-11-0168

IN THE MATTER OF THE APPLICATION OF
COX ARIZONA TELCOM, LLC FOR
DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER
PURSUANT TO SECTION 214(E)(2) OF THE
COMMUNICATIONS ACT OF 1934

Docket No. T-03471A-11-_____

**APPLICATION OF COX ARIZONA
TELCOM, L.L.C. FOR
DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS
CARRIER**

Cox Arizona Telcom, L.L.C. ("Cox"), pursuant to sections 214(c)(2)¹ of the Communications Act of 1934 (the "Act")², and the rules of the Federal Communications Commission ("FCC"), including 47 C.F.R. §§ 54.201 and 54.207, hereby petitions the Arizona Corporation Commission ("ACC") for designation as an Eligible Telecommunications Carrier ("ETC") in certain wire centers of Qwest Corporation and Zona Communications for the purpose of receiving low income universal service support, including Lifeline and Link-up support. Cox is not requesting high cost support. As shown below, designation of Cox as an ETC would be consistent with the purposes and requirements of Section 214(e) and the federal universal service program and would serve the public interest.

A. INTRODUCTION.

Cox seeks to be designated as an ETC for purposes of receiving federal low income universal support in Arizona throughout its entire serving territory. The specific rate centers within which Cox seeks ETC designation are set forth in Exhibit 1 to this application. Exhibit 2 is a map

¹ Cox is a local exchange company falling under the jurisdiction of the ACC. Thus, the ETC rules and regulations applicable to common carriers not falling under the jurisdiction of the state commission, 47 C.F.R. § 214(e)(6), are not applicable.

² 47 U.S.C. §§ 214(e)(2).

1 of Cox's entire footprint overlaid on the specific ILEC rate centers for which Cox seeks ETC
2 status. Cox is only seeking ETC designation in its service area in the specified rate centers listed in
3 Exhibit 1 since some of the areas on the attached map are not currently providing telephone
4 services. As demonstrated below, Cox meets all the statutory and regulatory prerequisites for ETC
5 designation, and designating Cox as an ETC will serve the public interest.

6 **B. COX MEETS THE STATUTORY AND REGULATORY PREREQUISITES**
7 **FOR ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION.**

8 Cox is a Competitive Local Exchange Carrier ("CLEC") authorized by the Commission to
9 provide basic local exchange services and long distance services throughout its service territory.
10 Cox has been providing services in Arizona since 1998.³ Cox's tariff for the provision of basic
11 local exchange and long distance services on file with the Commission is Arizona CC Tariff No. 1.
12 Cox provides service primarily using its own facilities and some leased transport lines.

13 **1. Cox Offers All of the Services Supported by the Federal Low Income**
14 **Universal Service Program.**

15 Cox complies with each of the Act's and FCC's eligibility requirements for universal
16 services support. Specifically, Cox is a common carrier as that term is defined in the Act.⁴ Cox
17 offers the services that are supported by federal universal service support mechanisms under
18 Section 254(c) of the Act, and that are eligible for universal service support as described in 47
19 CFR § 54.101, which include (1) voice-grade access to the public switched network, (2) local
20 usage, (3) dual tone multi-frequency signaling or its functional equivalent, (4) single party service
21 or its functional equivalent, (5) access to emergency services, (6) access to operator services, (7)
22 access to interexchange services, (8) access to directory assistance, and (9) toll limitation for
23 qualifying low income customers. The FCC guidelines provide that an ETC must "commit" to
24 provide service "on a timely basis" to customers passed by the ETC's facilities; and to provide

25
26 ³ Cox Arizona Telcom, LLC's predecessor, Cox Arizona Telcom, Inc., was issued a Certificate of
27 Convenience and Necessity by the ACC on July 2, 1997 in Docket No. U-3242-96-442 (Decision No.
60285). The CC&N was subsequently transferred to Cox Arizona Telcom, LLC in Decision No. 61569
(March 15, 1999).

⁴ 47 U.S.C. § 153(10).

1 service "within a reasonable time" to customers who are not passed by the ETC's facilities "if
2 service can be provided at reasonable cost[.]"⁵ Cox stands ready to meet these requirements for
3 qualifying low income customers in its service areas.

4 **2. Cox Provides the Required Services Using its Own Facilities.**

5 As previously stated, Cox provides service primarily using its own facilities and some
6 leased transport lines. Cox provides service to residential customers within its service areas within
7 typical industry time frames, and usually, Cox can serve new customers as soon as the telephone
8 number can be ported from the customer's previous carrier or the next business day for customers
9 who are not porting a number from an existing carrier.

10 **3. Cox will Advertise its Universal Service Offering Using Media of**
11 **General Distribution.**

12 Under Section 214(e), an ETC is required to "advertise the availability of [its] services and
13 the charges therefore using media of general distribution."⁶ Cox already advertises broadly, using
14 not only its own cable operations, but newspapers, billboards, direct mail and other media intended
15 to reach a wide audience in its service area in Arizona. Cox will advertise the availability of the
16 supported services and the corresponding charges in a manner that fully informs the general
17 public, within the vicinity of the service area, of the services and charges using media of general
18 distribution⁷ and will publicize the availability of Lifeline and Link-Up service in a manner
19 reasonably designed to reach those likely to qualify for the service.⁸ For example, such specific
20 advertising of the supported services may take the form of door tags, mail inserts, in-store signage
21 at all of Cox's retail locations, newspaper and billboard ads, television commercials and
22 information on the Cox website. Advertising will be specifically targeted to those who may qualify
23 for such services and be provided in both English and Spanish. In addition, Cox agrees to comply
24

25 ⁵ 47 C.F.R. § 54.202(a)(1) The FCC's rules also contemplate that an ETC application will include a five-
26 year plan describing how high-cost support will be spent. However, since Cox does not intend to apply for
or receive high-cost support, it is not submitting such a plan.

27 ⁶ 47 C.F.R. § 214(e)(1)(B).

⁷ 47 U.S.C. § 214(c)(1)(B); 47 CFR § 54.201(d)(2).

⁸ 47 CFR § 54.495(b).

1 with all form and content requirements, if any, promulgated by the FCC or the ACC in the future
2 that is required of all designated ETCs.

3 **4. Availability in Emergency Situations.**

4 Under the FCC's guidelines, an applicant for ETC designation should demonstrate "its
5 ability to remain functional in emergency situations[.]"⁹ This demonstration includes information
6 about back-up facilities, the ability to reroute around damaged facilities and the ability to handle
7 traffic spikes.

8 Cox has designed its network to be resilient in emergencies. From the start, Cox has
9 included back-up power in its network designs to ensure that its customers retain service even
10 when commercial power is unavailable. Cox uses facility route diversity and other techniques to
11 limit the likelihood that damage to its facilities will interrupt service to its customers. Cox's IP-
12 based service includes battery backup in the customer equipment in accordance with industry
13 standards and relevant regulatory requirements.¹⁰ These features allow Cox to maintain service
14 even when there are substantial power outages within its service area.

15 Cox is also compliant with all relevant 911 and E911 requirements. Where E911 is
16 available in a local community, Cox ensures that all necessary information, including location
17 information and callback data, is provided to the local E911 database and available to the PSAP.
18 Cox has provided 911 and E911 since the time it began offering telephone service.

19 Finally, Cox follows industry standard procedures for addressing traffic spikes or
20 congestion within its network, including implementing call gapping when appropriate. In addition,
21 Cox seeks to avoid network congestion issues by monitoring traffic on an ongoing basis and sizing
22 its network and interconnection facilities to maintain call blocking below industry standard levels.

23 **5. Service Areas in which Cox seeks ETC designation.**

24 As stated above, Cox requests that the Commission declare that the "service areas" in
25

26 _____
27 ⁹ 47 C.F.R. § 54.202(a)(2).

¹⁰ Cox has implemented a program for replacement of the backup batteries to ensure that customers do not experience unexpected loss of service.

which Cox is entitled to receive federal low income universal service support are the areas served by Qwest and Zona Communications. The Act and FCC rules define the term "service area" to be a "Geographic area established by a State commission for the purpose of determining universal service obligations and support mechanisms".¹¹ Attached to this Application, as Exhibit 1, is a list of the Qwest and Zona rate centers in the State of Arizona in which Cox seeks ETC status. These areas are included within Cox's CC&N certified areas in Arizona. To the extent that Cox increases the scope of its service area in the future, it also requests that its ETC designation cover any additional territory that Cox serves as a consequence of that increase in scope.

6. Cox is Committed to Consumer Protection and Service Quality Standards.

The FCC guidelines call for ETC applicants to demonstrate that they will "satisfy applicable consumer protection and service quality standards."¹² Cox easily meets this standard.

Since it was first authorized to provide service in Arizona, Cox has been committed to meeting all applicable customer service requirements, and it reiterates its commitment with this application. This commitment is part of a company-wide effort to maintain the highest possible level of customer satisfaction for telephone, cable and Internet services, and is reflected in the J.D. Power awards that Cox Communications has won over the last 15 years (which includes winning the J.D. Powers award for local telephone service quality for eight consecutive years from 2003 - 2010).

Cox has been providing quality telephone services to consumers in Arizona for over thirteen years. If certified as an ETC, Cox will continue to provide service on a timely basis to requesting customers within the applicant's service area, where the applicant's network passes the potential customer's premises. Cox, as a certified CLEC in Arizona, will continue to abide by other applicable rules and regulations of this Commission. Cox affirms its commitment to satisfy applicable consumer protection and service quality standards if certified as an ETC.

¹¹ 47 U.S.C. § 214(c)(5); 47 CFR § 54.207(a).

¹² 47 C.F.R. § 54.202(a)(3).

Cox also will continue to comply with all mandated consumer protection requirements, including the federal truth-in-billing rules, advertising requirements and state-specific requirements governing customer notices, late fees, disputes and other consumer issues. Additionally, Cox is already bound per its CC&N to abide by the quality of service standards that the Commission approved in Docket No. E-1051-93-183. Cox believes that it is important to treat all of its customers fairly, not just as a matter of business or legal requirements, but because respect for consumers is essential to the company's relationship with its customers.

7. Comparable Local Service Plans.

The FCC guidelines require an ETC to offer "a local usage plan comparable to the one offered by the incumbent LEC" in the ETC's service area. Because Cox's business is focused on residential customers, it has offered multiple plans that meet this requirement since the time it began providing telephone service in Arizona, and it commits to continuing to offer plans that meet this obligation after it becomes an ETC.

As of the date of this petition, Cox offers three different plans in Arizona that include local telephone usage and a local calling area at least as large as that offered by the relevant incumbent LEC. The most basic plan provides basic local telephone service, and includes unlimited local calling.¹³ Cox also offers packages that include additional features (such as call waiting and voice mail) and a bundle with calling features and an unlimited number of domestic long distance minutes.¹⁴ All of these packages include unlimited local calling, with a local calling area at least as large as the incumbent LEC. Thus, all of Cox's local telephone service plans meet the requirements of the FCC's guidelines.

8. Equal Access.

The FCC's guidelines do not require that an ETC offer equal access, but do require that the ETC acknowledge that it could be required to provide equal access in the future if no other ETC

¹³ This service and Cox's local service bundles include each of the elements required by the FCC's universal service rules other than toll limitation, which is offered separately.

¹⁴ See <http://www.cox.com/residential/arizona/phone/phone-plans.cox>

provides equal access.¹⁵ Cox acknowledges that it could be required to provide equal access, and certifies that it will comply with any equal access requirements that are imposed on it if no other ETC is providing equal access in the service area covered by this petition. Cox also notes that it currently provides equal access to its local telephone customers in Arizona per Commission Rule A.A.C. R14-2-111; thus, an equal access requirement would not require changes in Cox's current operating procedures.

9. Certification, Verification and Recordkeeping Requirements.

The FCC, in its 2004 Report and Order and Further Notice of Proposed Rulemaking¹⁶ ("Lifeline Order"), expanded Lifeline and Link-Up eligibility criterion based upon the recommendations of the Federal-State Joint Board on Universal Service. These requirements are spelled out in 47 C.F.R. 54.410. Cox is prepared to satisfy the requirements of the FCC's Lifeline order. Additionally, Cox will also comply with all of the requirements for expanded eligibility criteria, certification, verification and recordkeeping set forth in ACC Decision No. 67941 (June 21, 2005).

10. Statement of Public Interest.

It is in the public interest for the Commission to grant Cox's request for designation as an eligible telecommunications carrier. The FCC guidelines focus on "the benefits of increased consumer choice and the unique advantages and disadvantages of the applicant's service offering."¹⁷ Cox has the financial resources and commitment to bring quality, cost-effective communications services to Arizona consumers, and has done so for years. Cox has already been

¹⁵ 47 C.F.R. § 54.202(a)(5).

¹⁶ *Lifeline and Link-Up Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 03-109, FCC 04-87 (rel. April 29, 2004).

¹⁷ 47 C.F.R. § 54.202(c). This rule also calls for a "cream-skimming" analysis when an applicant seeks high cost funding but does not propose to serve the entire service area of an incumbent rural carrier. That requirement does not apply here because Cox Arizona is not seeking ETC designation for purposes of receiving high cost support. In assessing ETC designation requests for high cost support, the FCC has also called for states to look at whether the designation would affect the rural carrier's special status under the Telecommunications Act of 1996 or impose an administrative burden on the rural carrier. Again, Cox is not seeking high cost support by this application. Further, granting Cox this limited designation as an ETC for purposes of providing Lifeline and Link-up will not affect Zona's special rural status under the Telecommunications Act of 1996 or create an administrative burden for Zona.

1 certified as an ETC in Kansas, Oklahoma, Nebraska, Iowa, Rhode Island, Georgia, Louisiana and
2 Connecticut. A pending application is currently before the Arkansas Commission. Cox also
3 provides lifeline services in California under that states' Lifeline program, and based on recent
4 modifications to that program, will be filing an ETC application in that state this year.

5 Cox will pass through to its Lifeline and Link-Up eligible customers all discounts and
6 waivers required by the FCC's rules. Cox's request is in the public interest because such
7 designation will lead to increased consumer choice of carriers for low income users,
8 subscribership, and availability of basic telephone and installation services to qualifying low
9 income consumers.

10 Designation of ETCs for the purpose of receiving federal low-income support will have
11 minimal impact on any state USF fund or the federal universal service fund. In addition, there will
12 be no impact on a state or federal Universal Service Fund for Lifeline customers switching from
13 another provider as Low-income funds for these customers will simply move from the previous
14 provider to Cox.

15 There are also no public interest risks in granting ETC status to Cox. Cox is a well-
16 established local telephone company in Arizona, with a proven track record of quality service (as
17 recipient of the J.D. Powers award for telephone for the last eight years), so there is significant
18 benefit and virtually no potential harm to consumers from designating Cox as an ETC.

19 Finally, this Commission has previously found that designating of a CLEC, like Cox, as an
20 ETC for purposes of receiving federal low-income universal service support is in the public
21 interest.

22 **C. CONCLUSION.**

23 Cox has demonstrated that it possesses sufficient technical, financial and managerial
24 resources and abilities to provide the required basic local exchange service in the areas requested.

25 WHEREFORE, Cox respectfully requests that the Commission:

26 1. Designate Cox as an eligible telecommunications carrier for purposes of receiving
27 federal universal support for low income assistance in the State of Arizona;

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2. Designate each of Cox's individual exchanges in the service territory of Qwest and Zona Communications in Arizona, as a service area for purposes of determining universal service obligations and support mechanisms;

3. Send appropriate notice of this order to the Federal Communications Commission and the Universal Service Administrative Company; and

4. Order such other relief as may be appropriate.

RESPECTFULLY SUBMITTED this 20th day of April, 2011.

COX ARIZONA TELCOM, L.L.C.

By 
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Steve Olea
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

By Mary Ippolito

EXHIBIT

"1"

Exhibit 1

Rate Centers in which Cox Arizona, LLC seeks ETC status in the state of Arizona

| Rate Center | ILEC |
|---------------------------------|-------------------|
| | |
| Benson | Qwest/CenturyLink |
| Chandler | Qwest/CenturyLink |
| Tempe | Qwest/CenturyLink |
| Coolidge | Qwest/CenturyLink |
| Casa Grande | Qwest/CenturyLink |
| Cave Creek Carefree | Qwest/CenturyLink |
| Glendale | Qwest/CenturyLink |
| Florence | Qwest/CenturyLink |
| Ft. McDowell | Qwest/CenturyLink |
| Litchfield Park | Qwest/CenturyLink |
| Gilbert | Qwest/CenturyLink |
| Glendale | Qwest/CenturyLink |
| Green Valley | Qwest/CenturyLink |
| Higley | Qwest/CenturyLink |
| Mesa | Qwest/CenturyLink |
| New River | Qwest/CenturyLink |
| Lake Pleasant 928 | Zona |
| Phoenix | Qwest/CenturyLink |
| North Phoenix | Qwest/CenturyLink |
| Chandler | Qwest/CenturyLink |
| Peoria | Qwest/CenturyLink |
| Paradise Valley | Qwest/CenturyLink |
| Scottsdale | Qwest/CenturyLink |
| Superstition Apache Junction | Qwest/CenturyLink |
| Sierra Vista | Qwest/CenturyLink |
| Tucson | Qwest/CenturyLink |
| Vail | Qwest/CenturyLink |
| Agua Fria | Qwest/CenturyLink |
| Buckeye | Qwest/CenturyLink |

EXHIBIT

"2"

cox Arizona - System Footprint

- Legend**
- Highway
 - Secondary Highway
 - Major Roads
 - Major Water
 - City Boundary
 - County Boundary